

Texas: 2018 HAVA Election Security Grant Funding Narrative

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I. Overview of State Election Structure

The Secretary of State ("SOS") is the chief election officer of Texas. In that role, SOS obtains and maintains uniformity in Texas elections and advises and assists local officials conducting those elections.

The conduct of elections in Texas is decentralized. County clerks or, in those counties that have created the office, county election administrators, conduct county elections (the "County Election Officer"). In addition, the voter registrars (generally either the county tax assessor-collector or the county election administrator) maintain the official list of registered voters in their respective counties. The county political parties conduct primary elections in Texas, with the county chair as the chief election officer. Early voting in primary elections, including voting by mail, is conducted by the County Election Officer.

Local political subdivisions conduct their own elections. For example, city elections are held by the city, and school district elections are held by the school. These political subdivisions often contract with the county to conduct their election or hold joint elections with one another, but they are not required to do so. They utilize the county list of registered voters appropriate for their locality.

II. Planned Expenditures of 2018 HAVA Election Security Grant Funds

Prior Help America Vote Act ("HAVA") funds of approximately \$230MM (including match and earned interest) received by Texas were used primarily for the counties to purchase HAVA-compliant voting systems, with the remainder allocated for SOS to purchase and maintain a compliant electronic voter registration database ("TEAM"), support voter education efforts, and offer an online election worker training tool. Of the 2018 HAVA Election Security Grant funds, Texas will receive \$23,252,604, which requires \$1,162,630 in state match (the "2018 HAVA Election Security Funds"). Below is a description of Texas' anticipated use of the 2018 HAVA Election Security Funds, including a reference to the applicable Budget Worksheet Program Categories, as well as how Texas anticipates meeting the state match requirement.

A. Election Auditing and Cyber Vulnerabilities: Security Services for Counties

Budget Worksheet Program Categories: (b) Election Auditing and (d) Cyber Security

Texas intends to devote a portion of the 2018 HAVA Election Security Funds, starting prior to the 2018 general election, and continuing through the summer of 2020, to making security products available to its 254 counties. SOS is currently in the process of acquiring a subscription for a cyber security training course, which will be made available, free of charge, to election officials in all 254 counties in advance of the 2018 general election.

SOS anticipates utilizing existing state technological resources. Specifically, the Texas Department of Information Resources ("DIR") is a state agency established to provide technology leadership, solutions, and value to Texas state government, education, and local government entities to enable and facilitate the fulfilment of their core missions. DIR offers a number of services, including a cooperative purchasing program, through which DIR negotiates contracts and harnesses the bulk buying power of the state. DIR also has a Shared Services Program that provides organizations access to managed IT as a service, allowing those organizations to focus resources on supporting their mission and business functions rather than directly managing IT services. As part of its shared services offerings, DIR offers Managed Security Services ("MSS"). Managed Security Services consists of three main service components: Security Monitoring and Device Management, Incident Response, and Risk and Compliance. Each component contains a subset of security-related services to help meet organizational security needs.

SOS has budgeted enough funds to offer security assessments through the Managed Security Services program, free of charge, to all 254 Texas counties. The fee schedule established under the Managed Security Services program for obtaining these services is based on county size. Remediation will be determined on a case-by-case basis. Although counties participate on a voluntary basis, SOS will work to make all counties aware of the availability of the security assessments, and that an assessment is available to any county which requests one. The county will notify SOS that it is interested in participating in the program. Any county that chooses to participate will execute relevant documentation in compliance with applicable state and federal law.

The products may include, but are not limited to, the following:

- Endpoint Management Systems
- Intrusion Detection System/Intrusion Prevention Systems
- Host-Based Intrusion Detection System/Host-Based Intrusion Prevention Systems
- Malware Detection Systems/Malware Prevention Systems
- Managed Firewall Services
- Managed Web Application Firewall Services
- Security Information and Event Management
- Security Operations Center Services
- Threat Research
- Incident Response Services, which include:
 - Security Incident Management
 - Digital Forensics
 - Incident Response Preparedness
 - Risk and Compliance
- Enterprise Risk Identification, Remediation, Monitoring, and Management Services, which include:
 - Penetration Testing
 - Risk Assessment
 - Cloud Compliance Assessment
 - Vulnerability Scanning
 - Web Application Scanning

B. Voter Registration Systems and Management and Election Management: Security Enhancements and Integration

Budget Worksheet Program Categories: (c) Voter Registration Systems, (d) Cyber Security, and (f) Other Election Applications

Texas intends to devote some of the 2018 HAVA Election Security Funds to making security enhancements to TEAM. In addition, Texas intends to use the funds to evaluate and enhance the security of the various election management applications maintained by the SOS, including, but not limited to, applications

relating to candidate filing, ballot certification, election night reporting, and canvassing of elections. Texas plans to evaluate all components of its election applications to ensure each module is utilized efficiently, economically, and securely and make upgrades as necessary. Texas intends to review systems aspects derived generally from the United States Election Assistance Commission's "Checklist for Securing Election Night Reporting Systems", among other systems aspects, to evaluate both its election night reporting system and other election applications. Texas intends to make the above-referenced enhancements and upgrades at or before the end of calendar year 2019, if possible.

C. Voting Equipment Replacement and Upgrades: Contract Solutions

Budget Worksheet Program Categories: (a) Voting Equipment and (d) Cyber Security

Over \$150MM of previous HAVA funds was sub-granted to the counties in connection with the acquisition of HAVA-compliant voting equipment; the 2018 HAVA Election Security funds, however, are not sufficient to replace voting systems state-wide. Accordingly, Texas plans to instead use some of the 2018 HAVA Election Security Funds to provide contract solutions to counties at or before the end of calendar year 2021, if possible.

For example, SOS plans to work with DIR so that counties can utilize DIR's cooperative purchasing program referenced above. Texas also will focus on economizing resources, which might include, for example, facilitating cooperative purchases between counties and/or other political subdivisions, options for service agreements as opposed to the acquisition of equipment, term contracts where applicable, or, if funding is available, subsidizing portions of voting system costs. At a minimum, Texas intends to incorporate principles and guidelines from the Voluntary Voting System Guidelines in effect at the time of contracting into any contract solutions provided. Any new voting systems acquired utilizing the contract solutions offered must comply with federal and state law, and must produce a voter verifiable paper audit trail.

D. State Match

Texas plans to obtain its cash match of \$1,162,630 during the 86th Regular Session of the Texas Legislature, which begins in January 2019.

III. Conclusion

In utilizing the 2018 HAVA Election Security Funds, Texas seeks to synergize each of the aforementioned planned activities referenced above to ensure that the election infrastructure in Texas is well organized, efficient, transparent, and, most of all, secure.

2018 HAVA ELECTION SECURITY GRANT									
Budget Information							CFDA # 90.404	Non-Construction Program	
Name of Organization:	Texas Secretary of State								
Budget Period Start:	3/23/2018 SECTION A - BUDGET SUMMARY						(Consolidated Budget for total project term--up to 5 years as defined by grantee)		
Budget Period End:	3/22/2023 FEDERAL & NON-FEDERAL FUNDS (Match)								
PROGRAM CATEGORIES									
BUDGET CATEGORIES	(a) Voting Equipment	(b) Election Auditing	(c) Voter Registration Systems	(d) Cyber Security	(e) Communications	(f) Other Election Applications	(g) Other	TOTALS	% Fed Total
1. PERSONNEL (including fringe)								\$ -	0%
2. EQUIPMENT								\$ -	0%
3. SUBGRANTS- to local voting jurisdictions								\$ -	0%
4. TRAINING				\$ 10,000.00				\$ 10,000.00	0%
5. All OTHER COSTS*	\$ 475,000.00	\$ 4,750,000.00	\$ 475,000.00	\$ 11,390,000.00		\$ 6,152,604.00		\$ 23,242,604.00	100%
6. TOTAL DIRECT COSTS (1-6)	\$ 475,000.00	\$ 4,750,000.00	\$ 475,000.00	\$ 11,400,000.00	\$ -	\$ 6,152,604.00	\$ -	\$ 23,252,604.00	
7. INDIRECT COSTS (if applied)								\$ -	0%
8. Total Federal Budget	\$ 475,000.00	\$ 4,750,000.00	\$ 475,000.00	\$ 11,400,000.00	\$ -	\$ 6,152,604.00	\$ -	\$ 23,252,604.00	
11. Non-Federal Match	\$ 25,000.00	\$ 250,000.00	\$ 25,000.00	\$ 600,000.00		\$ 262,630.00		\$ 1,162,630.00	
12. Total Program Budget	\$ 500,000.00	\$ 5,000,000.00	\$ 500,000.00	\$ 12,000,000.00	\$ -	\$ 6,415,234.00	\$ -	\$ 24,415,234.00	
13. Percentage By Category	2%	20%	2%	49%	0%	26%	0%		
* "All Other Costs" is comprised of enhancements to existing computer systems, additional computer-related products and services, and other services relating to contracts, many of which will be made available through cooperative purchasing programs, as described in Texas' 2018 HAVA Election Security Grant Funding Narrative.									
Proposed State Match	5.0%								
A. Do you have an Indirect Cost Rate Agreement approved by the Federal government or some other non-federal entity?									
If yes, please provide the following information:									
B. Period Covered by the Indirect Cost Rate Agreement (mm/dd/yyyy-mm/dd/yyyy):									
C. Approving Federal agency:									
D. If other than Federal agency, please specify:									
E. The Indirect Cost Rate is:									